

*BEST COPY*

*AVAILABLE*

21 March 1957

**A BILL**

**To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**SECTION 1.** Section 3 of the Act entitled The Central Intelligence Agency Act of 1949, approved June 30, 1949, as amended (61 Stat. 203, 50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended to read as follows:

"Section 3. In the performance of its functions, the Central Intelligence Agency is authorized to exercise the authorities of the Armed Services Procurement Act of 1947, approved February 19, 1948, as amended (10 U.S.C. 2304-2314).

**SECTION 2.** Section 5 of such Act is amended to read as follows:

"Section 5. (a) Under such regulations as the Director may prescribe, the Agency may--

(1) utilize the authorities in Sections 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912 and 913 of the Foreign Service Act of 1950, as amended, or as it may hereafter be amended; Provided, That the provisions of Sections 901, 902, 903 and 904 may be utilized only in respect to personnel and employees assigned outside the continental United States.

21 March 1957

**SECTIONAL ANALYSIS OF A PROPOSED BILL  
TO AMEND THE CENTRAL INTELLIGENCE AGENCY  
ACT OF 1949, AS AMENDED, AND FOR OTHER PURPOSES**

**SECTION 1.**

Under Section 3(a) of the Central Intelligence Agency Act of 1949 the Agency is authorized to exercise certain procurement authorities contained in the Armed Services Procurement Act of 1947. The specific sections of the Armed Services Procurement Act, the authorities of which CIA was authorized to exercise, were incorporated by reference in Section 3(a) of the CIA Act of 1949. Since passage of the CIA Act, additional functions have been assigned to the Agency. This, and added experience, indicate the need to exercise other authorities contained in the Armed Services Procurement Act of 1947.

Under Section 2(c) of the Procurement Act, the Armed Services may negotiate purchases and contracts without advertising in seventeen listed circumstances. The Agency is now authorized by Section 3(a) of the CIA Act to negotiate in ten of these circumstances. It is requested that the remaining negotiation authorities of Section 2(c) be given this Agency.

The Agency has substantial and vitally necessary programs in fields where research and development, standardization of equipment and provision of new or stand-by production facilities are essential.

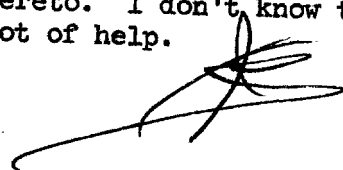
The negotiation authorities contained in Sections 2(c)(11), (13), (14), and (16) of the Armed Services Procurement Act are needed to facilitate this work.

In addition, in the field of procurement the Agency faces generally the same problem encountered by the Armed Services, although in some cases only to a minor degree. For this reason the inclusion of the negotiation authorities in Sections 2(c)(8) and (9) of the Armed Services Act is requested, as these circumstances are actually encountered although they were not foreseen at the time the Central Intelligence Agency Act of 1949 was enacted.

Medical facilities are provided our personnel in certain necessary and legally allowable circumstances. As indicated by Section 2(c)(7) of the Armed Services Procurement Act, there should be authority to purchase these by negotiation, since considerations of quality and exact composition often must outweigh a small difference in price.

In the interest of brevity it is proposed that the Armed Services Procurement Act, as a whole, <sup>and as amended</sup> be incorporated by reference in the CIA Act, thereby providing the authorities outlined above as well as those now included in the Act and eliminating the necessity for series of references to particular sections and subsections of the Procurement Act.

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1	25X1A [REDACTED] /OGC		
2			
3	Re: CIA Legislation		
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks:			
<p>1. The Procurement Division, alias Messrs. [REDACTED] etc. say in unison that they recommend the proposed revision of Sec. 3 exactly as it is. They state they have been waiting ten years for it and in effect have been using the exceptions as contained in the ASPA and not as limited in PL 110, so why not go ahead and make it legal?</p> <p>2. I concur. Also agree to your suggestion about elimination reference to the "Executive" and substituting something like "or other official designated by the Director".</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
[REDACTED]			2 Nov. 61
UNCLASSIFIED		CONFIDENTIAL	SECRET

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	25X1A NAME AND ADDRESS	INITIALS	DATE
1	[REDACTED] OGC	P	21 Oct 61
2	[REDACTED]	[REDACTED]	
3			
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks:			
<p>Forwarded herewith are copies of the legislative proposal drawn together on the date of 21 March 1957 and the explanatory material related thereto. I don't know that it will be an awful lot of help.</p> <p style="text-align: center;"></p> <p style="text-align: right;">25X1A</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.		DATE	
25X1A [REDACTED] /OGC, [REDACTED] x-4113		26 Oct 61	
CONFIDENTIAL		SECRET	